

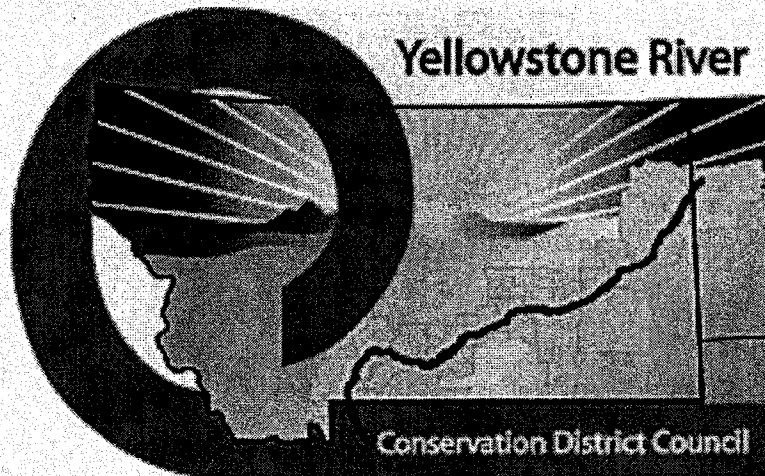
Montana State Legislature

Exhibit Number: 10

**This exhibit is in
regards to HB 805 ,
It contains several
different types of
materials to
numerous to scan.
Therefore only 10
pages have been
scanned to aid in
your research.
You may view the
original it is on file at
the Montana
Historical Society
and may be observed
there.**

Yellowstone River Conservation District Council

EXHIBIT 10
DATE 3-5-07
HB 805



The purpose of the budget increase for the Yellowstone River Conservation District Council (YRCDC) is to cover increasing costs, to maintain the Coordinator's position and support increased activities of the full Council, the Resource Advisory Committee (RAC) and the Technical Advisory Committee (TAC). The overall goal of the YRCDC is to provide local leadership, assistance, and guidance for the wise use and conservation of the Yellowstone River's natural resources.

\$40,000 — Budget Increase Request

Partner Conservation Districts:

- Park CD, Daryl Stutterheim
- Sweet Grass County CD, Paul Gilbert
- Stillwater CD, Steve Story
- Carbon County CD, Will Alexander
- Yellowstone County, Bob Hector
- Treasure County CD, Phil Fox
- Rosebud CD, Don Youngbauer
- Custer CD, Walter Rolf
- Prairie County CD, Dave Schwarz
- Dawson County CD, Kenny Nimitz
- Richland County CD, Tony Barone
- McKenzie County, ND, Orvin Finsaas
- Montana Association of Conservation Districts

Staff:

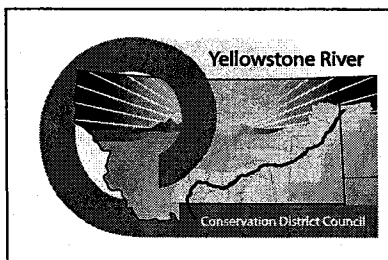
Nicole McClain, Coordinator (Full time)
Kelly Gilbertson, Project Assistant (Half time)
Carol Watts, Bookkeeper (One-quarter time)

Contact#:

406-534-0076
406-247-4414
406-232-7905

Email Address:

YellowstoneRiver@aol.com
Kgilbertson@mt.gov
carol.watts@mt.nacdn.net



1371 Rimtop Drive
Billings, MT 59105

Nicole McClain, Coordinator
Phone: 406-247-4412
Fax: 406-247-4429
Home Phone: 406-222-5702
Cell Phone: 406-223-5702
YellowstoneRiver@aol.com

Don Youngbauer, Chairman
PO Box 68
Forsyth, MT 59327
Phone: W 406-346-2131
H 406-346-2935
Don@rosebudcd.org

Bob Hector, Vice-Chairman
4912 Pryor Road
Billings, MT 59301
406-252-4332
bhector@peoplepc.com

Conservation District
Council Members:

Carbon County
Will Alexander

Custer County
Walter Rolf

Dawson County
Kenny Nemitz

Park County
Daryl Stutterheim

Prairie County
Dave Schwarz

Richland County
Tony Barone

Rosebud County
Don Youngbauer

Stillwater County
Steve Story

Sweet Grass County
Paul Gilbert

Treasure County
Phil Fox

Yellowstone County
Bob Hector

McKenzie County, ND
Orvin Finsaas

March 2, 2007

Representative John Sinrud, Chairman
Appropriations Committee
Montana House of Representatives
PO Box 200400
Helena, MT 59620-0400

Dear Mr. Chairman and Members of the Committee:

As you probably know, the Yellowstone River floods of 1996 and 1997 led to an order for the US Army Corp of Engineers to cooperate with federal, state, tribal and local entities to conduct a study of the biological, hydrologic and social impacts of projects on the river. In order to ensure that a locally led effort generated the best possible ways of managing the river, Conservation Districts along the river joined together to create the Yellowstone River Conservation District Council.

Since its establishment in 1999, the Council has begun many important studies, including flood plain mapping, channel migrations studies, riparian area assessments and the development of best management practices that will minimize impacts to the wonderful resource, which is the Yellowstone River.

The advancement made by the Council to date in managing and enhancing the Yellowstone River Corridor is a direct result of the perseverance of its members, the continuing public interest in its activities, and the close working relationship it enjoys with local, state and federal agency representatives.

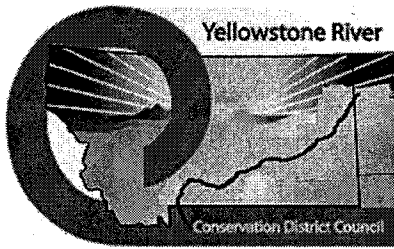
As chair of this group, I can tell you that I am astounded; not only by all that has been accomplished, but also by the enthusiasm and dedication these people have shown. I am in full support of the Council's request for an additional \$40,000 per year to cover increasing costs and budget shortfalls. Without the needed increase, the work of the Council could be in serious jeopardy.

If you have any questions or require further information, please contact me at your convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don", written over a horizontal line.

Don Youngbauer, Chairman
Yellowstone River Conservation District Council



2008/2009 Budget Amendment Request

JUSTIFICATION

The YR CDC has survived on a modest \$60,000 per year with no increases since its inception in 1999. Inflation, increases in travel, and the need to sustain professional coordination have taken a toll on the existing budget. If this effort is to survive, it must be funded. Great strides have been made this past year and it would not be in the best interest of Montana to see it curtailed.

These next few years are important for the Council. Federal funding has been a problem with this project from the start. Neither the Resource Advisory Committee nor the Council feel it is in the best interest of the State to scale back the project, and would like to see it move forward as planned.

Budget	FY 06/07	FY 08/09
Salary		
Coordinator	\$24,064	\$45,000
Assistant	\$11,000	\$12,000
Bookkeeper	\$ 2,000	\$ 2,000
Taxes	\$ -	\$ 4,150
Benefits	\$ -	\$ 4,000
Travel		
Coordinator	\$ 2,640	\$ -
Council	\$ 6,660	\$ 8,400
Resource Advisory	\$ 2,000	\$ 2,000
Technical Advisory	\$ 1,000	\$ 1,500
Stipends	\$ 3,636	\$ 4,000
Audit	\$ -	\$ 3,000
Supplies	\$ 400	\$ 1,500
Postage	\$ 600	\$ 1,000
Phone	\$ -	\$ 450
Printing	\$ -	\$ 1,000
Custer CD Costs	\$ 6,000	\$10,000
TOTAL (Annual)	<u>\$60,000</u>	<u>\$100,000</u>

Without the funding increase, the YR CDC will be in serious jeopardy. Moreover, the cut would impede progress of the time-sensitive studies, adversely effect the continued involvement of the public at large, and do away with a large portion of the YR CDC's education and outreach efforts.

Alternative funding, public awareness, and completing the work that has been started are of utmost priority for the council and its partners in the upcoming years.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				287,937					291,356	
Vacancy Savings				(62,094)					(62,231)	
Inflation/Deflation				4,867					5,710	
Fixed Costs				10,490					10,746	
Total Statewide Present Law Adjustments				\$241,200					\$245,581	
DP 2301 - CARDD Operating Adjustment	0.00	23,000	82,000	10,000	115,000	0.00	23,000	86,000	14,000	123,000
DP 2302 - Drinking Water Loan Program Assistance	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 2306 - Regional Water Systems	0.00	0	114,000	0	114,000	0.00	0	114,000	0	114,000
DP 2307 - Yellowstone River Council	0.00	0	40,000	0	40,000	0.00	0	40,000	0	40,000
DP 2312 - Watershed Grants	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
Total Other Present Law Adjustments										
	0.00	\$23,000	\$561,000	\$10,000	\$594,000	0.00	\$23,000	\$565,000	\$14,000	\$602,000
Grand Total All Present Law Adjustments				\$835,200					\$847,581	

LFD COMMENT

Personal Services Adjustments - The components driving the personal service adjustment includes \$370,000 for vacancies in the base year and \$27,840 for non-legislative pay adjustments. The remainder is to annualize the previous pay plan, longevity adjustments, and increases to employer paid health insurance premiums. The non legislative pay increases are attributed to market adjustments provided under pay plan 20.

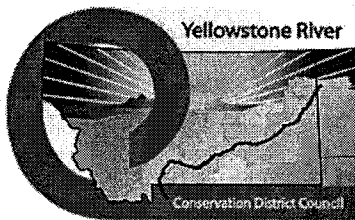
DP 2301 - CARDD Operating Adjustment - The executive recommends \$115,000 in FY 2008 and \$123,000 in FY 2009 of general, state special, and federal revenue authority to restore the base budget due to open positions, the continuation of the St Mary's Project and work group, increased rent, contracted services, and operating costs. The general fund would be used for operating expenses in the Conservation District Bureau.

LFD ISSUE

This adjustment includes \$29,000 in travel related expenses. If the department implements video conferencing, this entire adjustment may not be warranted. For further discussion, see DP 2103 in the Central Services Division.

DP 2302 - Drinking Water Loan Program Assistance - The executive requests \$200,000 of state special revenue each year of the 2009 biennium to match federal authority for hardship communities in the Safe Drinking Water program. This would allow the state to provide assistance to disadvantaged communities who borrow from the program. The funding is from the interest derived from the investments of the revolving fund.

DP 2306 - Regional Water Systems - The executive requests an increase in base authority for the continued development of Dry Prairie, Dry Red Water, Central Montana, and the North Central Regional Water System. These systems will facilitate the construction of regional water systems for small communities. This would provide resources to maintain local support, work toward securing federal assistance, and negotiate needed agreements to work on engineering and environmental planning for the various systems.



2008/2009 Budget Amendment Request

UPDATE

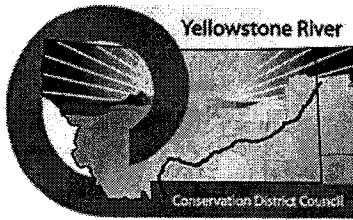
LOCAL GRASSROOT EFFORTS. State support for the Yellowstone Study ensures that a locally led effort produces a balanced approach to managing the river, rather than deferring it to the federal government. State and local participation in the project is symbolic as well. The Yellowstone is an iconic river for the nation; this project is evidence of Montana's stewardship and fulfillment of its public trust responsibility. It is currently driving a provision in proposed federal legislation (Water Resources Development Act, or WRDA) that would authorize federal funding for environmental restoration projects on the Yellowstone. These projects could include wetland and aquatic habitat improvements, as well as engineering and construction services, particularly to rehabilitate and improve irrigation diversions, and other infrastructure like levees and bridges. It will provide sound science information that can be used to support other issues Montana is confronting, such as administration of water rights on interstate tributaries within the basin.

COOPERATIVE AGREEMENT. Through its fiscal agent, Custer County Conservation District, the YR CDC signed a 75% federal/25% local cost-share cooperative agreement with the USCOE to carry out technical studies, conduct a cumulative effects assessment, and develop resource BMPs. . This means that for 25 cents on the dollar, state and local entities receive 75 cents of federal funds through the USCOE towards the work. Local contribution has come from the YR CDC, RAC, TAC, individual conservation districts and state agencies. To date, the Council has sponsored or facilitated the sponsorship of approximately \$1.5 million in cash and in-kind services toward the project including:

1. (2) \$300,000 Montana Reclamation and Development Grants,
2. (3) \$75,000 Montana Renewable Resource Grants, and
3. (1) \$130,000 Section 319 Clean Water Act Grants,
4. Numerous other grants from the USFWS, the Nature Conservancy, MACD Local Empowerment Program, and the MT DNRC Watershed Assistance Program, DNRC – 223 Grant Program, and Trout Unlimited.

CUMULATIVE EFFECTS ASSESSMENT (CEA). After considerable public input, a work plan was developed to conduct a cumulative effects assessment of the river. The corridor study area extends from Gardiner, Montana to the Missouri River confluence and is being conducted jointly by the YR CDC and USCOE. Technical studies pertaining to channel and floodplain geomorphology, when complete, will help conservation districts and agencies stress local responsibility in floodplain management, infrastructure maintenance, and ecosystem sustainability.

- **CEA - PHYSICAL FEATURES INVENTORY.** Initially sponsored by 2001 as a rapid aerial survey of floodplain features and critical infrastructure, Council staff is currently in the process of using this data to understand the long-term effect of these features on floodplain and active channel processes.
- **CEA - 310 PERMIT DATABASE.** To better utilize previous information generated by the conservation districts pursuant to their responsibilities under the Montana Stream Preservation Act, the Council is developing web-accessible information management systems to store and access archival 310 permit information for future decision-making.
- **CEA - LIDAR, BATHYMETRY DATA & FLOODPLAIN MAPS.** Another component of the Council's ongoing work plan is collection of high accuracy digital topographic data of the active channel and floodplain. Data has been collected and published for Dawson, Stillwater, and Yellowstone Counties, with more counties planned in future years. These data serve as the foundation for the floodplain and channel migration-zone mapping currently underway and are available through the Montana State Library's Natural Resource Information System website (nris.mt.gov/Yellowstone).



2008/2009 Budget Amendment Request

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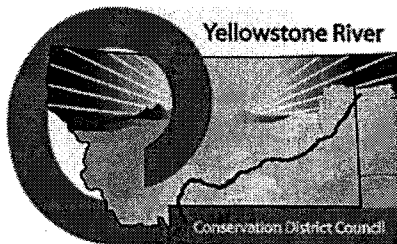
- **CEA - AVIAN STUDY.** In 2005 and 2006, the YRCDC, in partnership with USCOE sponsored an investigation conducted by faculty and staff at MSU, Bozeman to carry out a survey of birds in selected habitat types along the river. The first of two field seasons was completed in 2006; the 2007 field work is scheduled for May and June, 2007. Results are expected in late 2007 and are expected to yield valuable information regarding riparian habitat condition.
- **CEA – CHANNEL MIGRATION ZONE MAP.** Funded with Reclamation and Development Grant funds, this work will provide useful information regarding the risks to human health and property from channel migration and flooding. The CMZ map is a culminating component in the Council's ongoing effort to bring practical information to bear on controversial land use decisions affecting the river corridor. The project area is from Gardiner to the Missouri River confluence; the maps will be developed using historical aerial photographs and other digital mapping information previously generated through Council sponsored contracts. This product will be a helpful planning tool for cities, counties, and landowners along the Yellowstone River when faced with development issues. This project is underway and maps will be available in the fall of 2007.
- **CEA – RIPARIAN.** In 2006, NRCS, an YRCDC partner, began working with landowners to carry out an assessment of the riparian areas in the entire length of the river. NRCS will complete the riparian assessment and issue a report by 2008.
- **CEA – SOCIO-ECON & CULTURAL RESOURCES.** A socio-economic study and cultural resources assessment is currently underway. This includes documenting the historical development, land and water use, population statistics, recreation, current programs and policies, and laws pertaining the Yellowstone River. In 2006, the YRCDC contracted with MSU-Billings to carry out a socioeconomic and cultural resources assessment. The study was completed in the fall of 2006. A report will be published in late 2007.

BEST MANAGEMENT PRACTICES. The Council is committed to providing sound scientific information relevant to management of the Yellowstone River.

BANK STABILIZATION, FISH SCREENING & WEEDS: In 2007, a feasibility study to remove a fish barrier on Pryor Creek, a major tributary to the Yellowstone River, will be conducted and funding sources will be sought to construct the project. In 2007, an alternative bank stabilization project will be installed and demonstrated, a fish screen will be installed on a tributary to protect Yellowstone Cutthroat fishery, and we will continue to map weeds.

EDUCATION & OUTREACH. Each year in 2007-2009, public meetings will be held showing the participants of the study and interested individuals and agencies what data has been collected so far, such as the socio-economic data, riparian assessments, and the permitting database. In 2008, public information displays will be developed for each county along the river using historical aerial photo acquired for the study. These display panels will be used for public information purposes. In 2007 and 2008, the YRCDC will carry out educational activities showing agencies and interested individuals on the use of this data.

RIVER CLEAN-UP. In 2007 and 2008, a massive river clean-up week on approximately 64 fishing access sites will be carried out. Individual conservation districts will participate in cleaning weeds, garbage, and auto debris out of the river. Several partners will participate, including Audubon, Nature Conservancy, Fish and Wildlife Service, Conservation Corps, and area landowners.



2008/2009 Budget Amendment Request

PERFORMANCE CRITERIA REPORTING

The YRCDC publishes an annual report that is utilized in measuring progress toward our overall goal of ensuring a healthy Yellowstone River and riparian system capable of sustaining the needs of Montana citizens and the communities we serve. This report is distributed to Council, RAC, and TAC members, agency personnel, and posted to the website. The most recent report for fiscal year 2006, focuses on summarizing the data collection efforts in ongoing scopes of work, provides oversight into the 2007 work plan, and gives an overview of the YRCDC's financial health. <http://dnrc.mt.gov/cardd/yellowstonerivercouncil/Annual%20report%209-26-06.pdf>

The final report for fiscal 2007 and future years will strive to adhere to the Governmental Accounting Standards Board (GASB) special report summary entitled "Reporting Performance Information: Suggested Criteria for Effective Communication" and will reflect the following or a similar format:

The External Report on Performance Information

1. Purpose and Scope
2. Statement of major goals and objectives
3. Involvement in establishing goals and objectives
4. Multiple levels of reporting
5. Analysis of results and challenges
6. Focus on key measures
7. Reliable information
8. Relevant measures of results
9. Resources used and efficiency
10. Citizen and customer perceptions
11. Comparisons for assessing performance
12. Factors affecting results
13. Aggregation and disaggregation of information
14. Consistency

Communication of Performance Information

15. Easy to find, access, and understand
16. Regular and timely reporting

DP 2307 - Yellowstone River Council - Thirteen conservation districts have joined together to coordinate comprehensive resource management issues on the Yellowstone River. The executive requests an increase in state special revenue of \$40,000 per year to pay for Yellowstone River Council expenses.

**LFD
ISSUE****Measurable Criteria**

According to the council's website, their goal is to ensure a healthy Yellowstone River and riparian system capable of sustaining the needs of Montana citizens and the communities they serve. The council believes they can obtain their goal by encouraging communication and cooperation through collaboration, education, incentives and voluntary action. To accomplish their goal the council has determined that there is a need for:

- o Scientific information on which to base management decisions
- o Broad-based local, regional and national input
- o Technical and financial assistance to address sustainable use issues on the Yellowstone River

Because of this requested increase, the issues for the legislature are:

- o Is there sufficient evidence that the council is making progress towards their goal? *See 2006 Annual Report*
- o Is the use of general fund appropriate? Does the overall state benefit from this proposal?

Performance Criteria: The council does not publish a set of performance criteria that would be utilized in measuring their progress towards the overall goal of sustaining a healthy Yellowstone River. The council does publish an annual report where individual research activities have demonstrated goals, some measurable objectives, and timelines.

Given these issues the legislature may wish to track progress as it occurs. To do this the legislature could request performance management reporting after critical milestones as language in HB 2 or in a companion bill.

Funding: The executive is requesting general fund for this increase. Because the activities are targeted to improve the total environment, RIT could be utilized for this program.

To address the issues the legislature, may wish to:

- o Approve the decision package and require measurable performance criteria written into the contract for the Yellowstone River Council operations
- o Approve the decision package and replace the general fund with other state special authority such as renewable resource funding

DP 2312 - Watershed Grants - The executive requests \$125,000 each year of the biennium for the watershed planning and assistance grant (WPAG) program. The program assists conservation districts and affiliated local watershed groups with expenses associated with watershed planning. Grants can be used for the collection of baseline resource information, facilitators, development of a watershed management plan, training, educational efforts, and incidental costs associated with watershed planning.